

Integration Grid in the West (Utah Perspective)

Dr. Laura Nelson

Public Utilities, Energy, and Technology
Interim Committee

June 20, 2018

Overview

- Regionalization Efforts in the West
- Reliability Coordinator
- Multistate Protocol

Regionalization Efforts



CAISO



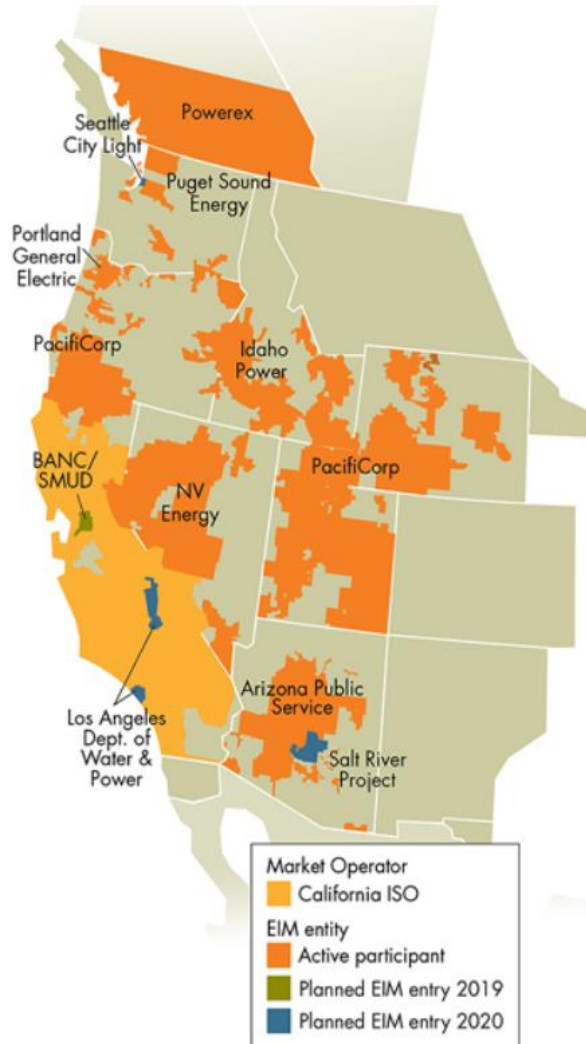
SPP



Peak
and PJM

Energy Imbalance Market

Western EIM active and pending participants



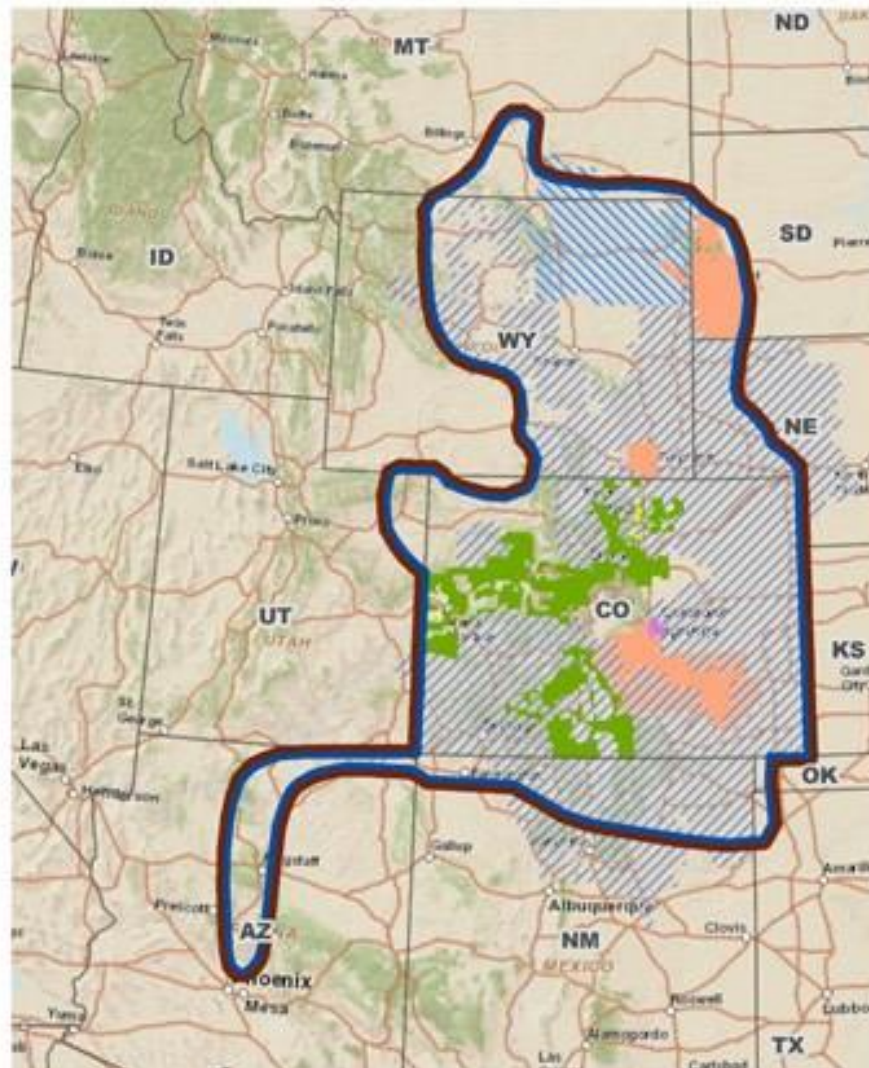
- \$330.52 million in benefits as of Q1 2018
- Reduced renewable energy curtailment
- California greenhouse gas compliance bid adder
- Secondary dispatch



GOVERNOR'S OFFICE OF
ENERGY DEVELOPMENT

Advancing Utah's Energy Future

Mountain West Transmission Group



Mountain West Footprint

PARTICIPANT BY PLANNING AREA



Platte River Power Authority

PARTICIPANT BY MEMBERSHIP AREA



Basin Electric Power Cooperative



Tri-State Generation & Transmission

PARTICIPANT BY SERVICE AREA



Black Hills Companies



Colorado Springs Utilities



Public Service Co of Colorado

WESTERN AREA POWER ADMINISTRATION



Loveland Area Projects and Colorado
River Storage Project Transmission

Intra-state Engagement (Who)

- State agencies
 - Governor's Office
 - Public Service Commission
 - Division of Public Utilities
 - Office of Consumer Services
- Utilities
 - PacifiCorp
 - Municipals and co-ops

Intra-state Engagement (What)

- Internal Consultations
- Formal Comments
 - Transmission Access Charges (TAC)
 - Governance
- Policy Advice
 - Letter from Governor Herbert to Governor Brown



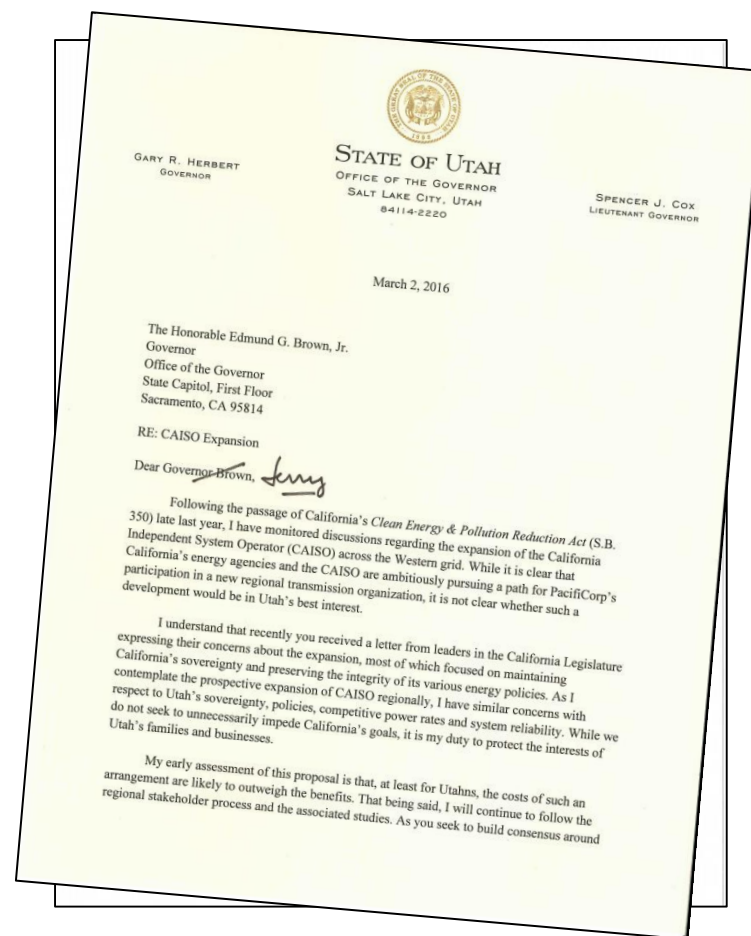
GOVERNOR'S OFFICE OF
ENERGY DEVELOPMENT

Advancing Utah's Energy Future

Letters to Governors

- California legislators' letter
- Governor Herbert letter
“...I have similar concerns with respect to Utah's sovereignty, policies, competitive power rates and system reliability.”

“My early assessment [...] is that [...] the costs [...] are likely to outweigh the benefits. That being said, I will continue to follow the regional stakeholder process and the associated studies.”



Regional Engagement



- SEP competitive grant application
 - Idaho, Montana, Colorado in partnership with Energy Strategies
 - WIEB market training forum and workshops
 - Consultation with PacifiCorp and other states
- Governor's Energy Summit May 15 discussion

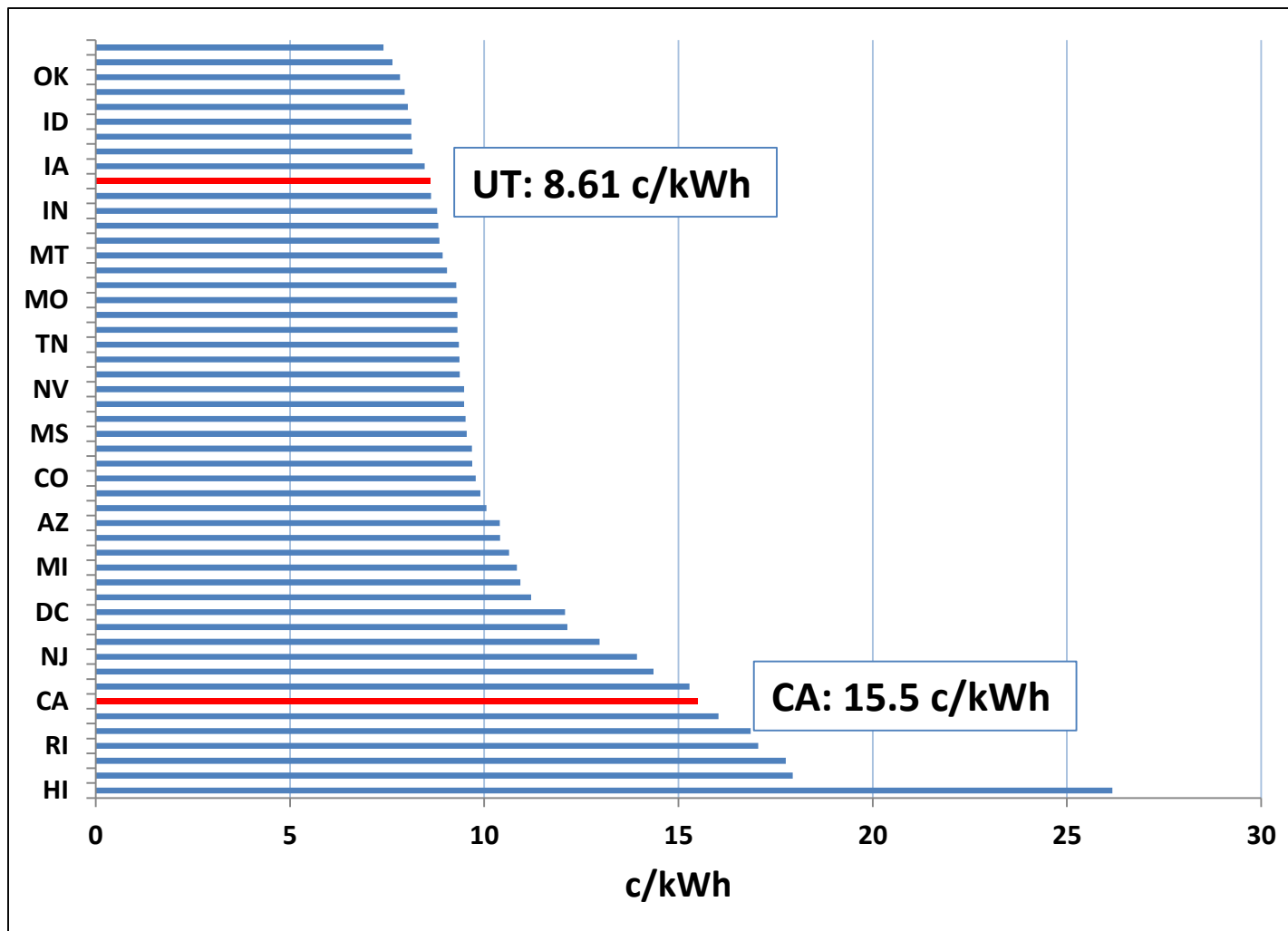
Utah Concerns

- Governance
 - Independence
 - Continual stakeholder engagement
 - Sustainability of benefits
- Transmission Access Charges
 - Certificates of Public Convenience and Necessity (Utah Code §54-4-25)
 - Rate differential
- Resource Adequacy
- Reliability Coordination
- Misc. (e.g., Grid Management Charge)
- Consumer Prices

Utah Code §54-4-25

“...a[n] electric corporation [...] may not establish, or begin construction or operation of a line [...] without having first obtained from the commission a certificate that present or future public convenience and necessity does or will require the construction.”

2015 Retail Electricity Prices





GOVERNOR'S OFFICE OF
ENERGY DEVELOPMENT

Advancing Utah's Energy Future

Electrical Grid:

What an expanded BAA might look like.



Reliability Coordinator

- Peak Reliability has served as the Western Interconnect's reliability coordinator (RC) since 2014
- CAISO recently announced its intent to develop its own reliability tools and offer them to other utilities
- SPP currently provides RC services in its footprint and also announced its intent to offer its RC services to Western utilities
- A number of utilities have provided revocable notice to Peak that they intend to discontinue using Peak's services as they explore other RC options
 - In CAISO's case, this notice is irrevocable
- In an evolving electric grid with shifting generation sources and economics for base-load generation, ensuring utility and grid reliability is critical

Multistate Protocol

- Multistate allocation discussions among PacifiCorp states could alter the portfolio of generation resources, and their accompanying costs that Utah's customers benefit from and pay for.
- Notably, Oregon passed SB 1547, which requires coal resources to be removed from Oregon rates before 2030.



GOVERNOR'S OFFICE OF
ENERGY DEVELOPMENT

Advancing Utah's Energy Future

Question?